

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

**UNITED STATES SECURITIES
AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

ERNEST J. ROMER, III,

Defendant.

2:18-cv-12927

HON. TERRENCE G. BERG

**FINAL JUDGMENT BY
DEFAULT AGAINST
DEFENDANT ERNEST J.
ROMER, III**

This matter having come before the Court on Plaintiff United States Securities and Exchange Commission's Motion for Default Judgment against Ernest J. Romer, III (the "Motion"), and the Court having considered the Motion, the brief filed in support of the motion, the complaint, and the evidence, papers and arguments presented therein, as well as information learned during the July 17, 2019 hearing on this matter:

I.

It is hereby **ORDERED** that the Motion is **GRANTED** against Ernest J. Romer, III ("Romer").

II.

It is hereby **ORDERED, ADJUDGED, and DECREED** that Romer is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

III.

It is hereby further **ORDERED, ADJUDGED, and DECREED** that Romer is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or

instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IV.

It is hereby further **ORDERED, ADJUDGED, and DECREED** that Romer is liable for disgorgement of \$2,755,737, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$18,724, for a total of \$2,774,461. Romer's disgorgement obligation, not including prejudgment interest, shall be offset by any payments made towards the restitution amount ordered in the related criminal matters. *See People of the State of Michigan v. Ernest J. Romer, III*, 2017-004385-FH (Nov. 30, 2017), 2017-004386-FH (Nov. 30, 2017), 2018-000798-FH (March 8, 2018), 2018-000799-FH (March 8, 2018), 2018-000800-FH (March 8, 2018), 2018-001614-FH (May 17, 2018), 2018-001615-FH (May 17, 2018), 2018-

001618-FH (May 17, 2018), 2018-001622-FH (May 21, 2018), 2018-002858-FH (Aug. 20, 2018), 2018-002859-FH (Aug. 20, 2018), 2018-002860-FH (Aug. 20, 2018), and 2018-003258-FH (Sep. 20, 2018).

Defendant shall satisfy this obligation by paying \$2,774,461.00 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Ernest J. Romer, III as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

Amounts collected shall be applied first to disgorgement and then prejudgment interest, until the disgorgement and prejudgment interest amounts in this Final Judgment are fully satisfied; only then shall any amount be applied to post judgment interest. The Commission shall hold the funds (collectively, the "Fund") and may propose a plan to distribute the Fund subject to the Court's approval. The Court shall retain jurisdiction over the administration of any distribution of the Fund. If the Commission staff determines that the Fund will not be distributed, the Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

V.

It is hereby further **ORDERED, ADJUDGED, and DECREED** that the Commission's claim for civil monetary penalties against Romer is hereby dismissed without prejudice.

VI.

It is hereby further **ORDERED, ADJUDGED, and DECREED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: July 17, 2019

s/Terrence G. Berg

TERRENCE G. BERG

UNITED STATES DISTRICT JUDGE